

# Dennis Avery

Indiana State Representative, District 75

## Special session ends with success

In the final days of the recent special session, members of the General Assembly passed a bipartisan program that will significantly impact the lives of most people in this state.

This plan, contained in House Bill 1001, provides answers to several serious questions facing Indiana. It **protects property owners** from the impact of the court-ordered reassessment. It provides **funding to help support critical state programs** and services. Also, it **restructures our state's tax code** to provide more economic incentives to help create more jobs for Hoosiers. (See the back of this card for more detail.)

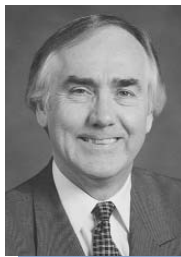
The most significant part of House Bill 1001 is the **relief it will provide for home, farm and business owners from the court-ordered property reassessment**. For homeowners, most of this relief will come through shifting 60 percent of school operating costs to the state, implementing a standard deduction on all homes of \$35,000, and increasing the homestead credit to 20 percent. These changes will help reduce residential property tax rates by double digits.

We also provide **help to working families** on lower incomes by increasing the earned income tax credit. Renters will receive an increase in the deduction they can take on their state income tax returns. We also make several **changes in the state's gaming industry that can help Indiana remain competitive** with surrounding states.

There are tax increases included in this legislation, but they are designed to provide funding assistance in crucial areas. See the back of this card for a tax comparison with neighboring states.

House Bill 1001 does not contain all the reforms I would have liked. We still must work on long-term solutions that can keep our state moving forward.

## Children's Psychiatric Center Saved New law prohibits closure without legislative approval



Summer, 2002

Dear Friends:

I am delighted to announce that the Evansville Psychiatric Children's Center (EPCC) will remain open. House Bill 1001, passed during the recent special session of the Indiana General Assembly, guarantees its operation.

It has been a long battle to keep the EPCC from closing. With growing concern over the state budget, Gov. Frank O'Bannon announced in March that the center would close in June of this year, and that children would be better served in community-based programs.

This prompted an outcry from EPCC staff, parents and local residents. Community-based programs for mentally ill children are inadequate or nonexistent in most parts of Indiana. The Evansville center has served children from across the state, providing care to children from 61 of Indiana's 92 counties in the last 10 years. The center is a crucial resource, as more than 22,000 local residents agreed when they signed a petition to keep the center open.

When Gov. O'Bannon called the legislature back for a special session, I knew that we must find a way to protect the center. It was clear that only one bill would be considered during the session, House Bill 1001, dedicated to restructuring taxes, correcting the budget deficit and building Indiana's economy. I worked to include a provision in the bill that would keep the EPCC open.

It was also vital to guarantee that children would be admitted to the center based on the decision of the center's admission committee, made up of medical specialists, rather than Indianapolis

bureaucrats. The bill also prohibited the state from reducing the size of the staff at the center below January 2002 levels.



Rep. Avery discusses legislation in the chamber.

The fate of House Bill 1001 was in doubt for much of the 40-day session, but in the end it passed both the senate and the house, and was signed into law by the governor. With its passage, the EPCC will continue to be available to provide services to youths who need the type of psychiatric treatment in which the center specializes.

So much needs to be done for our children with mental illness. A study reported in the *Evansville Courier & Press* indicated that over 2,400 Hoosier children would need inpatient treatment this year, but the state has facilities to care for only 128. Closing the EPCC—taking 28 beds out of commission—would have been a gross mistake. I am very pleased that the combined effort of local legislators, officials and citizens has prevented the current shortage in resources from worsening.

Please contact my office if you have concerns or questions about state government. You may e-mail me at [H75@in.gov](mailto:H75@in.gov) or call toll-free at 1-800-382-9842.

Sincerely,

# Economic development for Indiana

House Bill 1001 assists economic development across Indiana, and it couldn't come at a better time. In recent years Indiana has lost more manufacturing, retail and service jobs than anywhere else in the United States, and that certainly has had a negative economic impact in our state.

How do we create more jobs for Hoosiers? We must create an environment where businesses will want to come to Indiana, and where existing companies will want to expand their operations.

House Bill 1001 addresses these concerns in several ways:

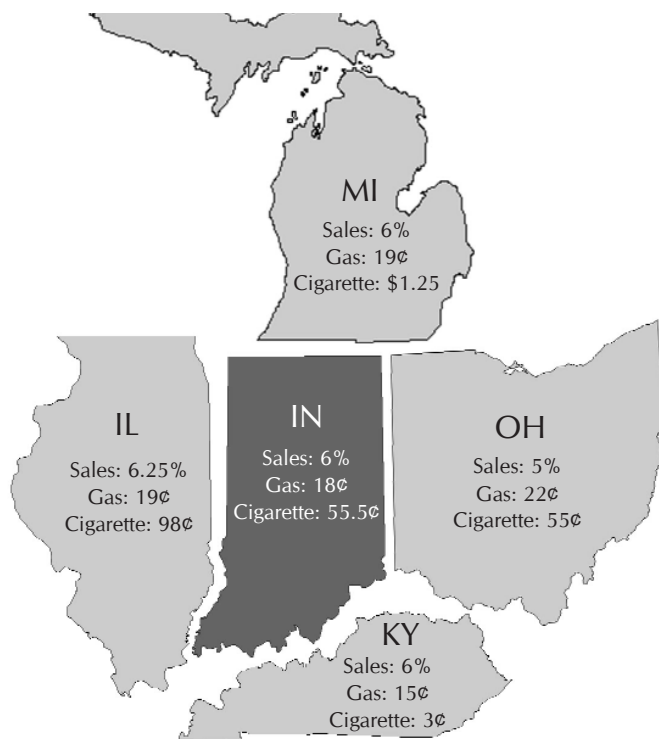
- It eliminates the unpopular inventory tax over a five-year period. Indiana is one of the few states in the country that still enacts this penalty on businesses.
- It also removes both the corporate gross income tax and the corporate supplemental net income tax. It replaces these taxes with a tax on a company's adjusted gross income.

Restructuring the tax burden for employers is only one part of the puzzle. We also must help companies by creating an environment where they can take advantage of the cutting edge technology that enables our state to be competitive in a changing global economy. Several provisions in House Bill 1001 help achieve this goal:

- It allocates tax credits to companies that provide venture capital to startup firms.
- It doubles the state's research and development tax credit to 10 percent.
- It provides \$30 million for the 21st Century Research and Technology Fund for 2003 and 2004.

The impact of these changes will be felt in the years to come. Business owners will think twice about relocating to another state. Companies will find an economic profile dedicated to creating well-paying jobs. They will be even more inclined to take advantage of the Hoosier work ethic that has made us the envy of other states. With the provisions for economic development in House Bill 1001, Indiana is back on track.

## How does Indiana rank with its neighbors?



Data from the Federation of Tax Administrators

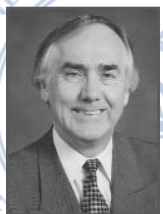
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